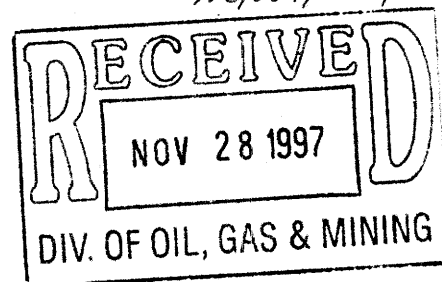


STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
Telephone: (801) 538-5340  
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1 JAN 97 To (mo./yr.) 31 DEC 97
  2. DOGM File Number (Mine No): M/001/027
  3. Mine Name: PEARL QUEEN PERLITE CORP.
  4. Mineral(s) Mined (or permitted to mine): PERLITE ORE
  5. Type of mine ☒ Surface Mine or ☐ Underground Mine
  6. Legal Description (Location of Lands Affected):  
SE 1/4,        1/4, Section 2, Township 27S, Range 9W SLBM  
       1/4,        1/4, Section       , Township       , Range         
       1/4,        1/4, Section       , Township       , Range
  7. Name of Operator or Company: SAME
  8. Permanent Street Address: P.O. BOX 490 533 S. IND. LOOP RD.  
City, State, Zip: MILFORD, UTAH, 84751  
Phone: 435 387-2100
  9. Company Representative (or designated operator):  
Name: DANIEL GATTEN  
Title: PROJECT COORDINATOR  
Business Address: SAME AS ABOVE  
City, State, Zip:                       
Phone:
- ☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? Appx 10,000 tons -  
currently stock-piled at the mine.

0025

- 7
3. How much additional acreage was disturbed during the past year? TOTAL ACRES
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

This mine is new, and this new disturbance represents the opening of the access road and mine area. Appx 80,000 tons of soil & cap rock were removed and stock-piled. All done by Dozer.

5. How much acreage was reclaimed during the past year? 0
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

NOT APPLICABLE

7. What is the total disturbed acreage at years end? 7 TOTAL ACRES

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

We anticipate mining, primary crushing, and removal of the existing 10,000 tons mined in 1997, plus an additional 125,000 to 150,000 tons during 1998.

NOTE: Section III., "Additional Information" applies only to large mining operations.

### III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted. This is the same as submitted with our large mine permit application.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

Not Applicable.

### IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

DANIEL J. GATTEN

Title of Operator:

PROJECT COORDINATOR

Signature of Operator:

Daniel J. Gatten

Date:

24 NOV 97